

## PROSPECTUS

## Amalgamated Rare Earth Mines Limited

(Incorporated under the laws of Ontario)

Suite 416, 25 Adelaide Street West,  
Toronto 1, Ontario, Canada

1,172,000 SHARES

(\$1.00 par value)

## BREWIS &amp; WHITE LIMITED

25 Adelaide Street West, Toronto 1, Ontario  
Underwriters

This is an offering of 400,000 authorized and unissued shares as a new issue and a secondary offering of 772,000 shares as follows:

	Numbers of Shares	Price per Share	Underwriting Discount	Net proceeds to Company
New issue .....	400,000	75¢	See Note 1	\$300,000
Secondary Offering .....	772,000 See Note 2	Not known See Note 3	Nil	Nil

Note 1: The Underwriter has firmly subscribed \$300,000 for 400,000 shares at 75¢ per share. The Underwriter may realize a profit in an amount equal to the excess, if any, by which the price paid by the Underwriter for such shares (75¢ per share) is less than the price at which the shares are sold to the public.

Note 2: Kam-Kotia Mines Limited owns 438,667 shares of the Company's stock, and is offering all of its shares for sale by this Prospectus.

Mid-North Engineering Services Limited owns 283,333 shares of the Company's stock, and is offering all of its shares for sale by this Prospectus.

Note 3: Shares will be sold to the public at current market price. Over-the-counter trading in the shares during the past three months has established a price range of 75¢ low to \$1.05 high.

All the shares offered for sale, whether of the new issue or the secondary offering, will be offered through registered security dealers acting as agents for the Underwriter and who will be paid commissions not exceeding 25% of the selling price of such shares.

The Company proposes to use the proceeds of this issue to pursue the exploration program recommended by its consulting engineer. See within under headings "USE OF PROCEEDS" and "REPORT OF MINERAL DEPOSITS AND DEVELOPMENT PROGRAM."

THESE SECURITIES ARE SPECULATIVE.

## REGISTRAR AND TRANSFER AGENT:

Guaranty Trust Company of Canada,  
88 University Avenue,  
Toronto, Ontario, Canada.

No securities commission or similar authority in Canada has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence.

The date of this Prospectus is April 19, 1968.

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## THE COMPANY

Amalgamated Rare Earth Mines Limited is a Company incorporated by Letters Patent of Amalgamation on March 29, 1957 according to the laws of Ontario. It is an amalgamation of two Ontario Companies, Cavendish Uranium & Mining Company Limited and Rare Earth Mining Company Limited. The Head Office of the Company is at Suite 416, 25 Adelaide Street West, Toronto 1, Ontario.

By virtue of the Letters Patent of Amalgamation, confirming earlier agreements, a total of 2,530,000 shares were allotted and issued by the Company as follows:

1,265,000 shares to shareholders of Rare Earth Mining Company Limited on the basis of one share of the Company for every 4 shares of Rare Earth Mining Company Limited owned.

1,265,000 shares to Cavendish Uranium Mines Corporation as owner of all the shares of Cavendish Uranium & Mining Company Limited. These shares were distributed to the shareholders of Cavendish Uranium Mines Corporation.

## PLAN OF DISTRIBUTION

Brewis & White Limited is the underwriter of the treasury shares described in this Prospectus, and will act as agent for the owners of the secondary issue by offering the shares to the public through registered security dealers. The underwriter has entered into an agreement with the Company whereby it is obliged to take up and pay for all the treasury shares of this offer within seven days of the Prospectus receiving acceptance by the Ontario Securities Commission.

There are no underwriting, option sub-underwriting or sub-option agreements in respect of the shares offered by this Prospectus except the underwriting agreement with Brewis & White Limited for treasury shares mentioned above.

## USE OF PROCEEDS

The net proceeds to be received from the sale of the underwritten shares are estimated at approximately \$285,000 after deducting expenses of this offering estimated at approximately \$15,000. The net proceeds together with the cash presently in the treasury will be used to pay outstanding accounts payable of \$4,036.77, and to pay the cost of the first part of the proposed exploration program referred to under the section headed "BUSINESS AND PROPERTIES" in the aggregate amount of \$261,535. Excess monies will form part of the general working capital of the Company to be used for general operating expenses. While the Company has no plans in this regard at the present time, monies in its treasury, as available, may also be used to carry out programs of acquiring, staking, exploring and developing other properties either alone or in concert with others and to generally carry out exploration programs as opportunity and finances may permit but monies will not be expended on any new properties acquired without an Amendment to this Prospectus being filed and accepted if the securities of the Company are then in the course of primary distribution to the public. Monies in the Company's treasury will not be used to invest, underwrite or trade in securities other than those that qualify as investments in which life insurance companies may under the laws of Canada invest their funds. Should the Company propose to use monies in its treasury to acquire securities other than as aforementioned after primary distribution of the securities offered by this Prospectus has ceased, approval by the Shareholders will be obtained and disclosure will be made to the regulatory authorities having jurisdiction over the sale of the shares offered by this Prospectus. Additionally, monies will not be advanced to other persons or companies except to the extent necessary to enable the Company to implement its exploration and development program as set forth in this Prospectus and any Amendment thereto.

## SHARE AND LOAN CAPITAL STRUCTURE

The Company has only one class of stock being shares of par value One Dollar each. These shares may be discounted under Part IV of The Corporations Act (Ontario). All shares issued by the Company rank equally as to dividends. All shares issued by the Company rank equally as to voting power, carrying one vote for each share. At all special or general meetings of the Company two shareholders personally present constitute a quorum. The By-laws of the Company provide that at meetings of shareholders a resolution may be voted upon a show of hands unless a poll is demanded by a shareholder. On a show of hands every shareholder present in person shall have one vote. On a poll every shareholder shall have one vote for each share held by him. In each case in the event of a tie vote, the Chairman has a second or deciding vote. There are no conversion rights and there are no special liquidation rights, pre-emptive rights or subscription rights. The presently outstanding Capital Stock is not subject to any call or assessment and the shares offered hereby, when issued and sold as described in this Prospectus, will not be subject to any call or assessment. Certificates representing 425,704 issued shares of the Company are held in escrow as referred to under the section headed "ESCROWED SHARES".



Designation of Security	Amount Authorized by Letters Patent	Amount outstanding as of Dec. 31, 1967 (date of balance sheet contained in Prospectus)	Amount outstanding as of Mar. 15, 1968	Amount outstanding if all securities being issued are sold
Shares (\$1.00 par value)	5,000,000 (\$5,000,000)	3,233,757 (\$2,642,257)	3,833,757 (\$2,732,257)	4,233,757 (\$3,032,257)

## DIVIDENDS

No dividends have been paid to date by the Company.

## BUSINESS AND PROPERTIES

As a result of the Company amalgamation described above the Company acquired from Rare Earth Mining Company Limited and Cavendish Uranium & Mining Company Limited three blocks of mining properties in the Province of Ontario certain claims of which have subsequently been allowed to lapse. The following remain in good standing:

- (1) 35 contiguous leased mining claims comprising approximately 1,750 acres, in Cardiff Township, Provisional County of Haliburton, Eastern Ontario Mining Division, claim numbers E.O. 6194 to E.O. 6198; E.O. 6351 to E.O. 6359; E.O. 7306 to E.O. 7315; E.O. 7386 to E.O. 7391; E.O. 12796 to E.O. 12800.

These claims are all held on Crown Leases for 21 years, renewable in 1985 and 1986, and at 21-year intervals thereafter.

Access to the property is by gravel road, a distance of  $2\frac{1}{4}$  miles southeast of the village of Wilberforce, which is on the Port Hope-Lindsay-Kinmount-Bancroft branch of the Canadian National Railways. It is about 110 miles from Wilberforce to Port Hope.

The properties can also be reached by highway from the City of Toronto to Wilberforce, a distance of about 140 miles.

- (2) 2,100 acres of patented mining claims in Monmouth Township, County of Haliburton, Eastern Ontario Mining Division, consisting of 22 Crown Leases and 18 patented claims in the south central portion of Monmouth. These contiguous patented lots of approximately 100 acres each are designated by the following claim numbers: Leases — E.O. 4961 to E.O. 4973; E.O. 5448; E.O. 9430 to E.O. 9433; E.O. 18411 to E.O. 18414; Patented Claims — E.O. 4256 to E.O. 4259; E.O. 4265, E.O. 4267, E.O. 4269, E.O. 4276, E.O. 4278, E.O. 4956 to E.O. 4960; E.O. 8258 to E.O. 8261.

The above leases run for 10 years to be renewed in 1972 save for E.O. 9430 to E.O. 9433 and E.O. 18411 to E.O. 18414 which run for 21 years to be renewed in 1986 and 1987. These leases are renewable at 10 and 21-year intervals thereafter.

In addition, the Company holds mineral rights over 600 acres, located in the northwest and north central part of Monmouth Township, being Lots 9 and 10, Concession 13, Lots 7 and 8, Concession 14, Lot 8, Concession 15 and Lot 17, Concession 17. All but Lot 17, Concession 17 of the above are contiguous.

The Company also owns part of Lot 2, Plan 8, Village of South Tory Hill, registered in the Registry Office for the Provisional County of Haliburton, part of Lot 18, Concession 10, and Lot 35, Concession 17, Monmouth Township.

The main property is 2 miles southeast of the village of Tory Hill, which is on the Port Hope-Lindsay-Kinmount-Bancroft branch of the Canadian National Railways. It is about 110 miles by rail from Tory Hill to Port Hope.

The property can also be reached by highway from the City of Toronto to Tory Hill, a distance of about 140 miles. Gravel roads lead from the paved highway near Tory Hill to the property.

- (3) 15 mining leases and mining rights to parts of 8 patented lots, all contiguous and comprising approximately 1,380 acres in Cavendish Township, County of Peterborough, Eastern Ontario Mining Division. These contiguous lots are designated by the following claim numbers and lot descriptions: E.O. 7316, E.O. 7317, E.O. 7432, E.O. 7433, E.O. 7466, E.O. 7489 to E.O. 7497, E.O. 7608, Lots 16 and 17 Concession 5, Lots 17, 18 and 19 Concession 6. Parts of Broken Lot 17 and north part of Broken Lot 18 lying north of the arm of Catchacoma Lake, Concession 7, part of Lot 18, Concession 5 lying west of the Buckhorn Road.

The above leases run for 21 years renewable in 1986, and at 21-year intervals thereafter.

The property is 20 miles northeast of the town of Bobcaygeon, and approximately  $\frac{3}{4}$  mile west of Highway 507, where it passes along the west shore of Catchacoma Lake, the nearest rail point



being the Canadian National Railways at Fenelon Falls, 10 miles west of Bobcaygeon. The property can be reached by highway from the City of Toronto, a distance of about 105 miles.

The Amalgamated Rare Earth Mines Limited properties described above are all located in the Haliburton-Bancroft area of Ontario within 140 miles of Toronto, and can easily be reached from good highways and the Canadian National Railways. This summary includes a brief history of previous prospecting and exploration of the Company's properties. In addition to the development program described under the heading "REPORT ON MINERAL DEPOSITS AND DEVELOPMENT PROGRAM" the following exploration has been undertaken:

(1) Cardiff Township properties:—

In 1953 Stratmat Limited optioned the property from E. S. Hogan, whose prospecting discovered uranium-bearing outcrops which are located at the site of most of the drilling and all the underground work to date. Following suspension of operations on this property in 1957 the underground and surface plant equipment and buildings were dismantled and sold.

(2) Monmouth Township properties:—

In 1948 Lead Ura Mines Limited (which changed its name in 1951 to Rare Earth Mines Corporation of Canada Limited) carried out surface exploration on the north half of the larger property. Further surface exploration, diamond drilling and underground development was carried out during 1955 and 1956.

In 1952 on the south half of the larger property Blue Rock Cerium Mines Limited carried out surface exploration and diamond drilling. In 1954 Stratmat Limited took an option on the property and undertook further surface work, diamond drilling and underground development.

(3) Cavendish Township properties:—

In 1954 Cavendish Uranium and Mining Company Limited commenced surface exploration including radioactivity surveys and diamond drilling.

In 1955 a vertical shaft was sunk to 86 feet and lateral development at the 70-foot level undertaken.

Surface and underground diamond drilling continued in 1956.

In 1967 Asarco Exploration Company of Canada undertook a surface drilling program.

From early 1956 to July, 1957, extensive mill research was conducted on samples of uranium-bearing material grading from 1 pound to 2.2 pounds of  $U_3O_8$  per ton of ore. This work was conducted by the late Professor T. V. Lord of Queen's University, under the auspices of the Atomic Energy Control Board at Ottawa. By July, 1957, numerous laboratory tests on bulk samples of ore from the above-mentioned holdings had proven the feasibility of extracting the uranium and rare earth minerals by flotation concentration, followed by acid leaching the flotation concentrates. A small scale continuous pilot run in July, 1957 in the ore-dressing laboratories of the Department of Mines, at Ottawa, confirmed the probability of obtaining an overall recovery of up to 91 percent  $U_3O_8$  from combined flotation and acid leach. A ratio of concentration of 5 to 1 in flotation made possible the reduction of capital cost of the mining-milling plants, of 40 percent, due to the smaller size of the expensive leaching section of the mill.

In 1957 and 1958, detailed design plans and specifications for mine and mill plants were completed, at a total engineering cost of \$300,000. Firm quotations received from contractors and suppliers confirmed the capital estimates of \$6 millions, for a complete mine-milling plant unit of 1,000 tons daily capacity, compared to \$10 millions for the same size unit using a mill unit to leach the entire ore tonnage without preconcentration.

Following suspension of operations on these properties all underground and surface plant equipment and buildings was dismantled and removed.

By an agreement dated the 1 September, 1967 between the Company and Asarco Exploration Company of Canada, Limited (Asarco), Asarco was granted a working option on the Company's mining property located in the Township of Cavendish, Province of Ontario, for \$10,000 cash (which was paid) and an undertaking by Asarco to expend not less than \$25,000 on exploration work by March 1, 1968, (which was expended) and if Asarco gave notice, to continue further work, to expend a further sum and have the right to incorporate a new Company. Asarco has notified the Company that it does not intend to do further work on the property, and the agreement has been terminated.

Further details on the mineralogy of the Company's properties and the Company's exploration program are contained under the heading "REPORT ON MINERAL DEPOSITS AND DEVELOPMENT PROGRAM" and the Company has relied on the report of A. S. Bayne & Company, Consulting Engineers, dated February 27, 1968 (which is available for inspection by the public at the Ontario Securities Commission) for the accuracy of all mineralogical and geological information contained herein.



## REPORT OF MINERAL DEPOSITS AND DEVELOPMENT PROGRAM

The following is a summary by management of the work done and the present status of the mining properties and proposed development program recommended by A. S. Bayne & Company, Consulting Engineers.

### Mining Properties

Upon suspension of operations in 1957, a total expenditure of over \$3.8 millions had been made on surface exploration, diamond-drilling and underground mine development.

*The Halo Uranium Mine*, in Cardiff Township, 6 miles northeast of the Rare Earth property, comprises 1,750 acres. Surface exploration and diamond drilling, with partial underground development from two adits, from 75 to 106 feet below the highest surface outcrop, was completed to 1957. The lowest estimate, confirmed by several independent geologists and engineers in 1956 and 1957, of possible and probable ore, indicated by drilling with about 11 percent partially developed underground, was 472,000 tons averaging 0.112 (2.24 pounds per ton)  $U_3O_8$ . This estimate was confined to blocks above the 515-foot horizon. In addition to the probability of continuity to depth, a large additional potential is indicated by limited test drilling along the general strike of the radioactive structure which extends for over 2 miles south of the underground development.

*The Rare Earth Mine*, in Monmouth Township, 15 miles northeast of the Cavendish property, comprises 2,700 acres. Surface exploration and diamond drilling, with partial underground development from two vertical shafts to respective depths of 440 and 657 feet was completed in 1957. The lowest estimate, confirmed by several independent geologists and engineers in 1956 and 1957, of possible and probable ore, indicated by drilling with about 25 percent partially developed underground, was 565,824 tons averaging 0.103 percent (2.06 pounds per ton)  $U_3O_8$ . This estimate was confined to blocks accessible for development from the underground workings above the 600-foot horizon. Good probability of continuity to depth is indicated. Further potential is indicated by the surface discovery, confirmed by scattered drilling of the continuity of the radioactive deposits for about one mile northerly and southerly along projected strike of the main deposits.

*The Cavendish Uranium Mine*, in Cavendish Township, 15 miles southwest of the Rare Earth property, comprises 1,380 acres. Surface exploration and diamond-drilling, with partial underground development, from a vertical shaft, at the 70-foot horizon, was completed in 1957. The lowest estimate, confirmed by an independent geologist after all work was completed in 1957, of possible and probable ore, indicated by drilling with about 11 percent partially developed underground, was 435,624 tons averaging 0.096 percent (1.92 pounds per ton)  $U_3O_8$ . Radioactive showings north and south along strike extensions and eastward down dip, indicate the possibility of delineating a much greater tonnage potential by further closely-spaced drilling.

The last quarter of 1967, Asarco Exploration Co. of Canada Limited, drilled 13 vertical holes on the Cavendish property, to depths of 73 to 496 feet, from 400 to 800 feet apart over an area 2,000 by 1,200 feet, to test the feasibility of large-scale, surface-pit mining. Results confirmed the 1956 findings: that the higher grade zones within the pegmatites offer the best possibility of profitable extraction by closely-spaced selective sampling and underground mining.

Except for this limited drilling in 1967, no work has been done on the Company's properties since 1957.

### Recommendations

Phase I of the recommended work comprises the resumption of surface exploration on each of the Halo, Rare Earth and Cavendish properties, to test the continuity of the known uranium deposits to 900 to 1,000 feet in depth and laterally along the strike of formation. The object of this work is to investigate the possibility, now indicated by only limited drilling of projected extensions, of delineating up to about 2,000,000 tons of mineable ore, grading in the order of 2 pounds per ton  $U_3O_8$ , on each of the three properties. The cost of this work schedule, on each of the three properties, is estimated at from \$262,000 to \$266,000, including diamond drilling over a 9-month period. Although the engineer has recommended a programme on all three properties it is the present intention of the Company to pursue the programme outlined only for the Halo Uranium property in Cardiff Township, commencing as early as possible in 1968, the estimated cost over a 9-month period being \$261,535.

If the work completed during Phase I confirms the present indications of continuity of the uranium deposits to depth and along strike, Phase II will be warranted and will require substantial expenditures for each property, within the next year or two following completion of the Phase I work. This expense will be for the final delineation of tons and grade by closely spaced drilling, the development of the deposits for underground mining, and establishment of conclusive feasibility of a mine-and-mill production unit with the minimum capacity, on each property, proven to be economic at that time.



## OFFERING

The Company entered into an agreement dated 15 March, 1968 with Brewis & White Limited of 25 Adelaide Street West, Toronto, Ontario, who have agreed to purchase the following shares in the Company:

<u>No. of Shares Underwritten</u>	<u>Underwritten Shares Price per share</u>	<u>Net amount to be Received by Company</u>
400,000	75¢	\$300,000

The purchase price, in the amount of \$300,000 is payable within seven days of the date of the acceptance for filing by the Ontario Securities Commission of the Company's Prospectus, such date being referred to as the "acceptance date".

Brewis & White Limited, 25 Adelaide Street West, Toronto, Ontario, is a company incorporated under the laws of the Province of Ontario.

Arthur Walter White, 72 Dunvegan Road, Toronto, Ontario, who is also a director of the Company, is the only person who owns more than a 5% interest in Brewis & White Limited.

As stated on the cover page of the Prospectus, the shares offered hereby will be offered at the market price from time to time prevailing and the market price will initially be determined by the underwriters, set within the price ceiling limits prescribed by the rules and the regulations of the Broker-Dealers Association of Ontario. There are no sub-underwritings outstanding or proposed to be given at this time. However, the underwriters have advised that during the course of primary distribution of the Company's shares they may grant sub-underwritings or sub-options to registered security dealers who may engage in primary distribution to the public at a price not exceeding one cent per share in excess of the price to be paid by the underwriters under the provisions of the underwriting agreement aforesaid.

The underwriters will offer the shares to the public through registered security dealers on an agency basis to sell or offer for sale, underwritten shares paying such agents a commission not exceeding 25% of the selling price of the shares to be sold, and in addition, may pay the cost and expenses of such dealers incidental to the distribution and sale of the said shares.

## PURCHASER'S STATUTORY RIGHT OF RESCISSION AND WITHDRAWAL

The Securities Act, 1966, contains (Sections 63 and 64) certain provisions enabling a purchaser of securities offered in the course of primary distribution to rescind the contract of purchase:

- (a) while the purchaser is still the owner of the securities if the Prospectus and any amended Prospectus, at the date of receipt by the purchaser, contains an untrue statement of a material fact or omits to state a material fact in order to make any statement contained therein not misleading, but only if action is commenced within 90 days from the last to occur of the receipt of the Prospectus or amended Prospectus or the contract of purchase: and
- (b) if the person or company from whom the securities were purchased is notified in writing or by telegraph of the purchaser's intent to rescind not later than midnight of the second day, exclusive of Saturdays, Sundays and holidays, after receipt by the purchaser of the Prospectus or amended Prospectus. A Prospectus or amended Prospectus sent by prepaid mail is deemed conclusively to be received in the ordinary course of mail. The receipt thereof by a person or company acting as agent or who thereafter commences to act as agent of the purchaser shall be receipt by the purchaser as of the date of the agent's receipt thereof; however, for purposes of the foregoing, a person or company is not considered to be acting as agent of the purchaser unless the person or company is acting solely as an agent of the purchaser and has not received and has no agreement to receive compensation from or on behalf of the vendor with respect to the purchase or sale. This right of rescission is not available to a registrant or to a purchaser who sells or otherwise transfers beneficial ownership of the securities purchased before the expiration of the time within which rescission may be effected.

## DIRECTORS AND OFFICERS

The names of the directors and officers of the Company and the positions presently held are listed below:

<u>Name and Address</u>	<u>Position with Company</u>	<u>Principal Occupation</u>
Arthur Walter White 72 Dunvegan Road, Toronto, Ontario.	Chairman of the Board and Director	Mining Executive, President, Dickenson Mines Limited and Kam-Kotia Mines Limited.



<u>Name and Address</u>	<u>Position with Company</u>	<u>Principal Occupation</u>
Harvey Gilbert Greene 835 Nicholls Street, Peterborough, Ontario.	President and Director	Prospector
Charles Benjamin Farnham 7 Sophia Drive, Scarborough, Ontario.	Vice-President and Director	Clothing Merchant
Herbert Rodney Heard 464 Broadway Avenue, Toronto, Ontario.	Secretary-Treasurer and Director	Chartered Accountant
Thomas Clydesdale Michie 38 Maxwell Avenue, Toronto, Ontario.	Director	Building Contractor
Ernest Victor Jones 32 Boon Avenue, Toronto, Ontario.	Director	Prospector
Fred Albert Fell 35, The Kingsway, Toronto 18, Ontario.	Director	General Manager, Dickenson Mines Limited.

Each of the above has held the principal occupation for the preceding five years.

If all the shares being offered by this prospectus are sold, the Directors and Officers of the Company, as a group, will own 11.49% of the issued shares.

#### REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No director or senior officer of the Company received remuneration during the last financial year ended 31 May, 1967 but a fee of \$25 for each directors' meeting has been paid to the directors and secretary-treasurer of the company during the year 1967. On 24 November, 1967 this fee was increased from \$25. to \$50. for each directors' meeting held.

#### PROMOTER

There is no promoter of this share offering.

#### ESCROWED SHARES

At the present time, certificates representing 425,704 shares referred to below are held in escrow by Guaranty Trust Company of Canada, 88 University Avenue, Toronto, Ontario, subject to release transfer or other alienation only on the written consent of the Company and the Ontario Securities Commission.

<u>Designation of Class</u>	<u>No. of Shares Held in Escrow</u>	<u>Percentage of Class</u>
Shares par value \$1.00	425,704	10.05% <sup>1</sup>

<sup>1</sup>Calculated on the basis of there being 4,233,757 shares issued and outstanding following the sale of the 400,000 underwritten shares.

#### PRINCIPAL HOLDERS OF SHARES

Set forth hereunder are particulars of the present principal holders of shares of the Company as of 19 April, 1968:

<u>Name and Address</u>	<u>Class of Security</u>	<u>Type of Ownership</u>	<u>No. of Shares Owned</u>	<u>Percentage of Class</u>
Kam-Kotia Mines Limited, 25 Adelaide Street West, Toronto, Ontario.	Common Shares	Of record, and beneficially	488,667	11.54%
Mid-North Engineering Services Limited, 25 Adelaide Street West, Toronto, Ontario.	Common Shares	Of record, and beneficially	283,333	10.69%
A. W. White, 72 Dunvegan Road, Toronto, Ontario.	Common Shares	Of record, and beneficially	169,113	



Calculated on the assumption that there will be 4,233,757 shares issued following the sale of the 400,000 shares which are the subject of this offer.

### PRIOR SALES

During the 12 months prior to this offer, the Company allotted 200,000 shares at 5¢ per share for which shares a further 5¢ per share was subsequently contributed for an aggregate of \$20,000. and discharged a \$90,000. mortgage by issuing a total of 600,000 fully paid-up non-assessable shares of the Company for the following consideration:

200,000 shares at 10¢ per share .....	\$ 20,000.
200,000 shares at 15¢ per share .....	30,000.
200,000 shares at 20¢ per share .....	40,000.
	<hr/>
	\$ 90,000.

The above shares were issued on 7 March 1968 as follows: 366,667 to Kam-Kotia Mines Limited, 233,333 to Mid-North Engineering Services Limited. On the date of issue the market price for the shares was 85¢ bid.

### INTEREST OF MANAGEMENT

The Company has a management agreement with Mid-North Engineering Services Limited, 25 Adelaide Street West, Toronto, Ontario, under which Mid-North has agreed to provide management, accounting and secretarial services, including office space, at a cost of \$200. per month.

The only person having a greater than 5% interest in Mid-North is Arthur Walter White, the Chairman of the Board and a director of the Company. Arthur Walter White is also the President and a director of Kam-Kotia Mines Limited, the principal holder of the Company's shares.

### MATERIAL CONTRACTS

The material contracts entered into by the Company within the two years prior to the date hereof are as follows:

1. Agreement dated 1 September, 1967 between the Company and Asarco Exploration Company of Canada, Limited referred to under the heading "BUSINESS AND PROPERTIES" on page 2.
2. Mortgage dated 17 January, 1967 for \$90,000. to Kam-Kotia Mines Limited and Mid-North Engineering Services Limited now discharged.
3. Management Contract dated 1 December, 1967 between the Company and Mid-North Engineering Services Limited (see heading "INTEREST OF MANAGEMENT").

During the primary distribution of securities offered by this Prospectus, copies of the aforementioned agreements may be inspected at the Head Office of the Company during normal business hours.

### AUDITORS

The Auditors of the Company are McDonald, Nicholson & Co., 335 Bay Street, Toronto, Ontario.

There are no other material facts.



# Amalgamated Rare Earth Mines Limited

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To the Directors,  
Amalgamated Rare Earth Mines Limited,  
Toronto, Ontario.

We have examined the balance sheet of Amalgamated Rare Earth Mines Limited as at December 31, 1967, together with the statements of deficit, preliminary development, exploration and administrative expenditures and source and application of funds for the five years and seven months ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and related statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations and the source and application of its funds for the five years and seven months ended on that date in accordance with generally accepted accounting principles applied on a basis consistent throughout the period.

McDONALD, NICHOLSON & CO.,  
Chartered Accountants.

Toronto, March 19, 1968.



# Amalgamated Rare Earth Mines Limited

## BALANCE SHEET — DECEMBER 31, 1967

### ASSETS

#### CURRENT ASSETS

Cash in bank .....	\$	2,072.00	
Sundry debtors .....		35.00	
Prepaid expenses .....		82.87	\$ 2,189.87

#### FIXED ASSETS

Mining claims (Note 1) .....	\$	401,538.28	
Buildings and equipment — at nominal value .....		1.00	401,539.28
			<u>\$403,729.15</u>

### LIABILITIES

#### CURRENT LIABILITIES

Accounts payable and accrued liabilities .....	\$	4,036.77	
Loan interest payable .....		3,106.85	\$ 7,143.62

#### MORTGAGE PAYABLE — 7½% due January 17, 1972 (Note 2)

Kam-Kotia Mines Limited .....	\$	55,000.00	
Mid-North Engineering Services Limited .....		35,000.00	90,000.00

#### SHAREHOLDERS' EQUITY

Capital Stock Notes 3 and 4)			
Authorized 5,000,000 shares of par value \$1.00 each .....	\$	5,000,000.00	
Issued and fully paid 3,233,757 shares .....	\$	3,233,757.00	
Less: Discount thereon .....		591,500.00	
		<u>2,642,257.00</u>	
Contributed surplus (Note 5) .....		1,308,309.00	
		<u>3,950,566.00</u>	
Deficit, per statement herewith .....		3,643,980.47	306,585.53
			<u>\$403,729.15</u>

The accompanying notes form an integral part of this statement.

Approved on behalf of the Board.

E. V. JONES, Director.

H. R. HEARD, Director.

Subject to accompanying report of this date.

McDONALD, NICHOLSON & CO.,

Chartered Accountants.

Toronto, March 19, 1968.



# Amalgamated Rare Earth Mines Limited

## STATEMENT OF DEFICIT

For the five years and seven months ended December 31, 1967

	Year Ended May 31, 1963	Year Ended May 31, 1964	Year Ended May 31, 1965	Year Ended May 31, 1966	Year Ended May 31, 1967	Seven Months Ended Dec. 31, 1967	(For Comparison) (Unaudited) Seven Months Ended Dec. 31, 1966
BALANCE at beginning of period -----	\$ 3,563,401.64	\$ 3,569,412.16	\$ 3,599,470.18	\$ 3,621,678.81	\$ 3,630,427.36	\$ 3,630,434.62	\$ 3,630,427.36
<i>Add:</i> Exploration, Development and Administrative Expenses written off -----	6,010.52	9,564.77	8,879.70	8,748.55	9,343.40	13,545.85	5,139.39
Expenditures on Lapsed Claims written off -----		20,493.25	15,327.93				
Investments written off -----			1.00				
	\$ 3,569,412.16	\$ 3,599,470.18	\$ 3,623,678.81	\$ 3,630,427.36	\$ 3,639,770.76	\$ 3,643,980.47	\$ 3,635,566.75
<i>Deduct:</i> Creditors' claims forgiven Proceeds from sale of fixed assets -----			2,000.00		9,336.14		
BALANCE at end of period -----	\$ 3,569,412.16	\$ 3,599,470.18	\$ 3,621,678.81	\$ 3,630,427.36	\$ 3,630,434.62	\$ 3,643,980.47	\$ 3,635,566.75

The accompanying notes form an integral part of the statement.



# Amalgamated Rare Earth Mines Limited

## STATEMENT OF PRELIMINARY DEVELOPMENT, EXPLORATION AND ADMINISTRATIVE EXPENDITURES

For the five years and seven months ended December 31, 1967

	Year Ended May 31, 1963	Year Ended May 31, 1964	Year Ended May 31, 1965	Year Ended May 31, 1966	Year Ended May 31, 1967	Seven Months Ended Dec. 31, 1967	(For Comparison) (Unaudited) Seven Months Ended Dec. 31, 1966
<b>PRELIMINARY DEVELOPMENT AND EXPLORATION EXPENDITURES</b>							
Freight and transportation	\$ —	\$ 112.50	\$ 84.00	\$ 70.00	\$ 180.00	\$ —	\$ —
Mining licences and taxes	630.45	3,408.91	2,393.89	1,748.33	2,024.36	2,143.62	2,024.36
Restaking claims	—	—	748.45	—	—	—	—
Sundry expense	35.00	84.15	67.79	110.40	357.40	15.87	12.18
<b>Total preliminary development and exploration</b>	<b>665.45</b>	<b>3,605.56</b>	<b>3,294.13</b>	<b>1,928.73</b>	<b>2,561.76</b>	<b>2,159.49</b>	<b>2,036.54</b>
<b>ADMINISTRATIVE EXPENDITURES</b>							
Advertising and shareholders information	1,048.31	1,458.17	1,418.39	1,375.07	—	2,159.63	(5.10)
Directors' fees	175.00	450.00	275.00	125.00	150.00	425.00	—
Interest on notes and loans payable	1,031.64	1,031.64	1,031.64	1,031.64	3,534.64	3,983.23	1,031.64
Office expense	642.33	664.44	639.89	631.50	561.14	644.79	475.00
Professional services	1,205.00	740.00	1,050.42	2,470.00	984.55	1,443.45	25.00
Salaries	—	—	—	—	—	75.00	—
Telephone and telegraph	—	26.25	9.20	2.35	25.88	8.40	25.88
Transfer agents' fees and expense	1,542.79	1,923.71	2,033.52	2,139.26	2,145.43	1,991.86	1,895.43
Travelling expense	—	70.00	160.35	—	—	900.00	—
<b>Total administrative</b>	<b>5,645.07</b>	<b>6,364.21</b>	<b>6,618.41</b>	<b>7,774.82</b>	<b>7,401.64</b>	<b>11,631.36</b>	<b>3,447.85</b>
<b>Total expenditures</b>	<b>6,310.52</b>	<b>9,969.77</b>	<b>9,912.54</b>	<b>9,703.55</b>	<b>9,963.40</b>	<b>13,790.85</b>	<b>5,484.39</b>
<i>Deduct: Rental Income</i>	<i>300.00</i>	<i>405.00</i>	<i>1,032.84</i>	<i>955.00</i>	<i>620.00</i>	<i>245.00</i>	<i>345.00</i>
<b>NET EXPENDITURES, transferred to statement of deficit</b>	<b>\$ 6,010.52</b>	<b>\$ 9,564.77</b>	<b>\$ 8,879.70</b>	<b>\$ 8,748.55</b>	<b>\$ 9,343.40</b>	<b>\$13,545.85</b>	<b>\$ 5,139.39</b>

The accompanying notes form an integral part of the statement.



# Amalgamated Rare Earth Mines Limited

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the five years and seven months ended December 31, 1967

	Year Ended May 31, 1963	Year Ended May 31, 1964	Year Ended May 31, 1965	Year Ended May 31, 1966	Year Ended May 31, 1967	Seven Months Ended Dec. 31, 1967	(For Comparison) (Unaudited) Seven Months Ended Dec. 31, 1966
<b>SOURCE OF FUNDS</b>							
Sale of capital stock		\$	\$	\$	\$	\$	\$
Proceeds of mortgage loan							
Creditors' claims forgiven							
Disposal of fixed assets			2,000.00				
Proceeds of working option on mining property							
Rental income	300.00	405.00	1,032.84	955.00	620.00	10,000.00	345.00
	<u>300.00</u>	<u>405.00</u>	<u>3,032.84</u>	<u>1,955.00</u>	<u>109,956.14</u>	<u>10,245.00</u>	<u>345.00</u>
<b>APPLICATION OF FUNDS</b>							
Expenditures on outside mining properties	1,873.75	10,457.43	1,759.69				
Exploration expenditures	665.45	3,605.56	3,294.13	1,928.73	2,561.76	2,159.49	2,036.54
Administrative expenditures	5,645.07	6,364.21	6,618.41	7,774.82	7,401.64	11,631.36	3,447.85
Settlement on notes payable					51,583.90	500.00	
Commission paid							
	<u>8,184.27</u>	<u>20,427.20</u>	<u>11,672.23</u>	<u>9,703.55</u>	<u>61,547.30</u>	<u>14,290.85</u>	<u>5,484.39</u>
<b>INCREASE (DECREASE) IN DEFICIENCY OF WORKING CAPITAL</b>							
Working capital deficiency at beginning of period	7,884.27	20,022.20	8,639.39	7,748.55	(48,408.84)	4,045.85	5,139.39
	<u>5,022.33</u>	<u>12,906.60</u>	<u>32,928.80</u>	<u>41,568.19</u>	<u>49,316.74</u>	<u>907.90</u>	<u>49,316.74</u>
<b>WORKING CAPITAL DEFICIENCY AT END OF PERIOD</b>	<u>\$ 12,906.60</u>	<u>\$ 32,928.80</u>	<u>\$ 41,568.19</u>	<u>\$ 49,316.74</u>	<u>\$ 907.90</u>	<u>\$ 4,953.75</u>	<u>\$ 54,456.13</u>

The accompanying notes form an integral part of the statement.

# Amalgamated Rare Earth Mines Limited

## NOTES TO FINANCIAL STATEMENTS

December 31, 1967

### 1. MINING CLAIMS

The company holds 15 claims and mining rights to parts of 8 patented lots in the Township of Cavendish, 35 claims in the Township of Cardiff and 18 patented claims together with 22 Crown leases in the Township of Monmouth all in the Bancroft area, Province of Ontario. The mining properties were acquired by the amalgamating companies for \$38,626 cash and 503,911 equivalent shares of reorganized capital stock, representing a total cost of \$411,038. This cost has been reduced during the seven month period ended December 31, 1967, by \$9,500.00 being the proceeds of a working option on the claims in Cavendish Township of \$10,000 less commission paid of \$500.

### 2. MORTGAGE PAYABLE

The creditors have, on March 11, 1968, accepted in full settlement of the mortgage capital stock as follows:

200,000 shares at 10¢	\$20,000.00
200,000 shares at 15¢	30,000.00
200,000 shares at 20¢	40,000.00
	<u>\$90,000.00</u>

### 3. CAPITAL STOCK ISSUED AND FULLY PAID

Issued to May 31, 1962	Number of Shares	Par Value	Discount
For net assets of amalgamating companies	2,530,003	\$ 2,530,003.00	\$ —
For services	93,750	93,750.00	42,500.00
For cash	400,004	400,004.00	350,000.00
Balance May 31, 1962	3,023,757	\$ 3,023,757.00	\$392,500.00
Issued for services during the year ended May 31, 1966	10,000	10,000.00	9,000.00
Issued for cash during the year ended May 31, 1967	200,000	200,000.00	190,000.00
Balance December 31, 1967	<u>3,233,757</u>	<u>\$ 3,233,757.00</u>	<u>\$591,500.00</u>

### 4. UNDERWRITING AGREEMENT

By agreement dated March 15, 1968, 400,000 shares of the unissued capital stock of the Company were subscribed for a total consideration of \$300,000.

### 5. CONTRIBUTED SURPLUS

Contributed surplus represents the excess of value attributed to net assets contributed by the amalgamating companies over par value of shares issued. The amount has remained unchanged since date of amalgamation.

### 6. SUBSEQUENT EVENT

Mid-North Engineering Services Limited and Kam-Kotia Mines Limited have provided the Company with financing to the extent of \$90,000 secured by a first mortgage on all of the Company's properties except fifteen mining claims in the Township of Cavendish, Province of Ontario. In consideration of this the lenders were granted the right to purchase 200,000 unissued shares of the capital stock of the Company for a total consideration of \$10,000. This right was exercised during the year ended May 31, 1967.

In order to provide the Company with funds for current expenditures and to facilitate anticipated future financing the lenders agreed to contribute a further amount equivalent to the consideration paid for the aforementioned 200,000 shares. On February 8, 1968, the Company received the said further \$10,000 which was credited to contributed surplus in its accounts.



The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act, 1966 and the regulations thereunder.

DATED this 19th day of April, 1968.

#### DIRECTORS

A. W. WHITE  
Chief Executive Officer

H. R. HEARD  
Chief Financial Officer

H. G. GREENE  
Director

E. V. JONES  
Director

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of The Securities Act, 1966 and the regulations thereunder.

#### BREWIS & WHITE LIMITED

JACK WHITE  
President

H. I. MILLER  
Vice-President